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Counsel for the Official Committee of Tort Claimants

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**THIRD INTERIM APPLICATION OF
BAKER & HOSTETLER LLP FOR
ALLOWANCE AND PAYMENT OF
COMPENSATION AND
REIMBURSEMENT OF EXPENSES
FOR THE PERIOD OCTOBER 1, 2019
THROUGH JANUARY 31, 2020**

Date: TBD
Time: TBD

Objection Date: April 2, 2020

**COVERSHEET FOR THIRD INTERIM APPLICATION OF THE LAW FIRM OF
BAKER & HOSTETLER LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF
TORT CLAIMANTS FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE PERIOD
OCTOBER 1, 2019 THROUGH JANUARY 31, 2020**

Name of Applicant:	Baker & Hostetler LLP
Name of Client:	Official Committee of Tort Claimants
Time period covered by this application:	10/1/2019-1/31/2020
Total fees sought this period:	\$15,252,640.50*
Total expenses sought this period:	\$3,574,530.67
Petition Date:	1/29/2019
Retention Date:	<i>Effective</i> 2/15/2019
Date of order approving employment	4/10/2019
Total compensation approved by interim order to date:	\$6,820,134.67
Total expenses approved by interim order to date:	\$233,430.74
Total allowed compensation paid to date:	\$25,689,728.87
Total allowed expenses paid to date:	\$5,391,864.46
Blended rate in this application for all attorneys	\$649.05
Blended rate in this application for all timekeepers	\$609.99
Compensation sought in this application already paid pursuant to a monthly compensation order but not yet allowed	\$9,673,951.60
Expenses sought in this application already paid pursuant to a monthly compensation order but not yet allowed	\$3,259,330.58
Number of professionals included in this application	96
If applicable, number of professionals in this application not included in staffing plan approved by client	0
If applicable, difference between fees budgeted and compensation sought for this period	Actual: \$15,252,640.50 Budget Range: \$12,800,320-\$18,091,320
Number of professionals billing fewer than 15 hours to the case during the period	16
Are any rates higher than those approved or disclosed at retention? If yes, calculate and disclose the total compensation sought in this application using the rates originally disclosed in the retention application	No

*In each of the four months covered by this Third Interim Application, Applicant reduced the amount of fees sought prior to generating its monthly fee statements. For the months of October, November, December and January, Applicant voluntarily wrote off a grand total of fees in the amount of \$696,318.50.

SUMMARY OF THIRD INTERIM FEE APPLICATION

Date Filed	Period Covered	Total Compensation and Expenses for Period Covered		Total Amount Previously Requested with Monthly Fee Statement		Total Amount Paid to Date		Holdback Fees, Unpaid Fees and Expenses Requested
		Fees	Expenses	Fees @80%	Expenses @100%	Fees	Expenses	Fees
12/2/2019 (DE 4937) (9 th)	10/1/19- 10/31/19	\$4,533,957.00	\$1,006,053.04	\$3,627,165.60	\$1,006,053.04	\$3,627,165.60	\$1,006,053.04	\$906,791.40
1/2/2020 (DE 5247) (10 th)	11/1/19- 11/30/19	\$4,342,021.00	\$554,112.16	\$3,473,616.80	\$554,112.16	\$3,473,616.80	\$554,112.16	\$868,404.20
1/30/2020 (DE 5557) (11 th)	12/1/19- 12/31/19	\$3,216,461.50	\$1,699,165.38	\$2,573,169.20	\$1,699,165.38	\$2,573,169.20	\$1,699,165.38	\$643,292.30
3/2/2020 (DE 5980) (12 th)	1/1/20- 1/31/20	\$3,160,201.00	\$315,200.09	\$2,528,160.80	\$315,200.09	\$0	\$0	\$3,475,401.09
Total for Third Interim Fee Application		\$15,252,640.50	\$3,574,530.67	\$12,202,112.40	\$3,574,530.67	\$9,673,951.60	\$3,259,330.58	\$5,893,888.99

Objections to Monthly Fee Statements: No objections have been filed regarding the Ninth, Tenth or Eleventh Monthly Fee Statements. The deadline for objections to the Twelfth Monthly Fee Statement is March 23, 2020.

**THIRD INTERIM APPLICATION OF BAKER & HOSTETLER LLP FOR
ALLOWANCE AND PAYMENT OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR THE PERIOD OCTOBER 1, 2019 THROUGH JANUARY 31, 2020**

**TO THE HONORABLE DENNIS MONTALI,
UNITED STATES BANKRUPTCY JUDGE**

Baker & Hostetler, LLP (“**Baker**” or “**Applicant**”), counsel to the Official Committee of Tort Claimants (“**TCC**”) appointed in the above-captioned voluntary Chapter 11 bankruptcy cases (the “**Bankruptcy Cases**”), hereby submits its *Third Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period October 1, 2019 through January 31, 2020* (the “**Application**”) seeking entry of an order, on an interim basis, pursuant to sections 330(a) and 331 of title 11, United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Bankruptcy Rules for the Northern District of California (the “**Local Rules**”), the *Guidelines for Compensation and Expense Reimbursement of Professional and Trustees*, promulgated pursuant to Local Rule 9029-1, effective February 19, 2014 (the “**Local Guidelines**”), the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “**UST Guidelines**”), the *Order Pursuant to 11 U.S.C. § § 331 and 105(a) and Fed. R. Bankr. P. 2016 For Authority to Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (“**Interim Compensation Order**”) [Docket No. 701], and the revised Fee Examiner Protocol filed on October 24, 2019 (the “**Revised Protocol**”) [Docket No. 4473] (collectively, the “**Guidelines**”) for interim allowance of compensation for professional services and reimbursement of actual and necessary expenses in connection with Baker’s representation of the TCC in the above captioned cases.

The Applicant seeks interim approval of compensation and reimbursement of expenses from October 1, 2019 through January 31, 2020 (the “**Application Period**”) totaling **\$18,827,171.17** which sum represents compensation for legal services rendered in the amount of \$15,252,640.50 and reimbursement for expenses incurred in the amount of \$3,574,530.67.

1 This Application is based upon the contents hereof, together with the exhibits, the
2 declaration of Cecily A. Dumas filed concurrently herewith, the pleadings, papers, and records on
3 file in these cases, and any evidence or argument that the Court may entertain at the time of the
4 hearing on the Application.

5 Pursuant to the Guidelines, a cover letter enclosing this Application is being sent to the
6 Chair of the TCC concurrently. The letter invites the Chair to discuss with the Applicant and/or
7 the Office of the United States Trustee any objections, concerns, or questions the Chair may have
8 regarding the requested compensation and reimbursement set forth in the Application. A copy of
9 the transmittal letter is attached hereto as **Exhibit G**.

10 **RELEVANT BACKGROUND**

11 1. On January 29, 2019 (the “**Petition Date**”) the Debtors filed the Bankruptcy Cases.
12 The Debtors continue to operate their businesses and manage their properties as debtors-in-
13 possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Bankruptcy Cases
14 are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

15 2. On February 15, 2019, the Office of the United States Trustee (“**UST**”) filed an
16 Appointment of the Official Committee of Tort Claimants [Docket No. 453]. Following the
17 resignation of Richard Heffern from the original TCC and the addition of Tommy Wehe, on
18 February 21, 2019, the UST filed the Amended Appointment of the Official Committee of Tort
19 Claimants [Docket No. 530]. The current members of the TCC are: (i) GER Hospitality, LLC, in
20 its capacity as an individual claimant; (ii) Kirk Trostle; (iii) Tommy Wehe; (iv) Angelo Loo;
21 (v) Karen K. Gowins; (vi) Agajanian, Inc.; (vii) Susan Slocum; (viii) Samuel Maxwell; (ix) Karen
22 M. Lockhart; (x) Wagner Family Wines-Caymus Vineyards; and (xi) Gregory Wilson.

23 3. The TCC represents the interests of fire claimants, whose claims arose as a result of
24 the Debtors’ long history of unsafe operations.

25 4. As permitted in the Guidelines, Baker incorporates by reference the narrative history
26 furnished in the contemporaneous applications filed by the Debtors’ professionals.

27 5. On March 17, 2019, the TCC filed its *Application to Employ Baker & Hostetler LLP*
28 *as Attorneys for the Official Committee of Tort Claimants, Effective February 15, 2019* [Docket

1 No. 934] (the “**Retention Application**”). On April 10, 2019, the Court entered its *Order Granting*
2 *the Application to Employ Baker & Hostetler LLP as Attorneys for the Official Committee of Tort*
3 *Claimants, Effective February 15, 2019* [Docket No. 1331] (the “**Retention Order**”). A true and
4 correct copy of the Retention Order is attached hereto as **Exhibit E**. Baker is not holding, and has
5 not held, any retainer in connection with the Bankruptcy Cases or the work performed on behalf of
6 the TCC.

7 6. As specifically detailed and set forth below, Baker worked with the TCC, its
8 financial advisors, the Official Committee of Unsecured Creditors (the “**OCUC**”), its financial
9 advisors, the Debtors, and their financial advisors to address the numerous critical issues arising in
10 the Bankruptcy Cases during the Application Period.

11 7. On May 28, 2019, the Court entered an order appointing Bruce A. Markell as fee
12 examiner (“**Fee Examiner**”) in the Bankruptcy Cases. [Docket No. 2267]. Baker has
13 communicated with the Fee Examiner and has supplied information to the Fee Examiner as
14 requested and necessary for the Fee Examiner to evaluate the reasonableness of the compensation
15 sought in this Application.

16 **RELIEF REQUESTED AND BASIS FOR RELIEF**

17 8. This Application is Baker’s third interim request for allowance and payment of fees
18 and expenses as counsel to the TCC.

19 9. Pursuant to Bankruptcy Code §§ 330 and 331, Baker respectfully requests entry of
20 an order, on an interim basis, allowing and approving **\$18,827,171.17** which sum represents
21 compensation for legal services rendered in the amount of \$15,252,640.50 and reimbursement for
22 expenses incurred in the amount of \$3,574,530.67. Copies of Baker’s invoices detailing the
23 services rendered and expenses incurred during the Application Period have been filed on the
24 docket as attachments to Baker’s monthly fee statements and have been furnished to the Debtors,
25 counsel for the OCUC, the UST and the Fee Examiner (see Docket Nos. 4937, 5247, 5557 and
26 5980).

27 10. Baker has made every effort to ensure that this Application complies with the
28 Guidelines and to avoid unnecessary duplication of effort by and among its attorneys and

paraprofessionals, as well as with other retained professionals in these cases. Baker has supplied the Fee Examiner with Baker's monthly fee statements in an electronic LEDES format Baker believes is acceptable to the Fee Examiner.

SUMMARY OF PROFESSIONAL SERVICES RENDERED

11. Baker's attorneys spent 25,004.60 hours in performing the services described in the Application, at an average billing rate of \$649.05 per hour. Baker's blended hourly rate for all timekeepers in this Application is \$609.99

PROJECT BILLING AND NARRATIVE STATEMENT OF SERVICES RENDERED

12. In addition to the requirement that a description of the general services rendered by a professional be provided in a fee application, the Guidelines also require that applications for compensation should:

"...categorize by subject matter and separately discuss, each project or task. With respect to each project or task, the number of hours spent, the results obtained, and the amount of compensation and expenses requested should be set forth at the conclusion of the discussion of that project or task."

13. Accordingly, Baker established separate project billing categories for its representation of the TCC during the Application Period, as follows:

CODE	DESCRIPTION
001	Administrative Expense Claims
002	Asset Sales/363 Sales
003	Automatic Stay
004	Bankruptcy Litigation
005	Bar Date Motion/Claims Noticing
006	Case Administration (docket updates, WIP, and calendar)
007	CCA and other Aggregator Issues
008	Chapter 11 Plan/Plan Confirmation
009	Committee Meetings and Preparation
010	Corporate and Board Issues
011	Customer, Supplier and Vendor Issues
012	DIP Financing/Cash Mgmt./Hedging Transactions

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CODE	DESCRIPTION
013	Disclosure Statement
014	Employee Issues
015	Equity Security Holders
016	Exclusivity
017	Executory Contract/Lease Issues
018	General Case Strategy (includes communication with Committee)
019	Hearings and Court Matters
020	Legislative Issues
021	Non-Bankruptcy Litigation
022	Non-Working Travel
023	FERC Adversary Proceeding
024	District Court Litigation
025	Regulatory Issues including CPUC and FERC
026	Retention Applications
027	Fee Application: Baker
028	Fee Application: Other Professionals
029	Schedules/Statement of Financial Affairs
030	Tax Issues
031	U.S. Trustee/Fee Examiner Issues
032	Unsecured Creditor Issues/ Communications/ Meetings
033	Utility Issues/Adequate Assurance/Insurance
034	Withdraw Reference
035	Real Estate and Real Property Issues
036	Avoidance Action Analysis/Lien Avoidance Analysis
037	Investigations
038	Financial Advisors
039	Other Contested Matters
040	Operations
041	KEIP Issues
042	Subrogation

CODE	DESCRIPTION
043	Securities
044	Wildfire Assistance Program
045	Asset Analysis and Recovery
046	Tort Claims Estimation
047	Class Claims Issues
048	Kincade Fire Issues
049	Mediation
050	Government Claims
051	CPUC BK OII 19-09-016
052	Tort Claims

14. These distinct, numbered project billing categories* enabled Baker to monitor its activities and appropriately account for the time expended by its professionals and paraprofessionals. This procedure enables Baker to better inform the TCC, the Court, the UST and the Fee Examiner regarding the nature of the services provided and time expended by its professionals and paraprofessionals. The project billing categories adopted by Baker are consistent with those used by the Debtors in order to ease the burden of the Fee Examiner's review. To the extent the project billing categories are not identical to those used by the Debtors, it is because representing the TCC requires services somewhat different than those the Debtors' professionals are providing to the Debtors, so Baker tailored certain task code descriptions and may have added task codes as necessary to more accurately reflect the nature of the work being performed by Baker on the TCC's behalf.

15. In an effort to streamline and control legal fees and expenses, Baker endeavored to minimize the expenditure of time by its senior partners and to delegate responsibilities to junior partners, associates and other paraprofessional employees as appropriate. In addition, because Baker does not charge national rates, Baker has endeavored to minimize fees and expenses by

* In certain instances, where more than one category of issues might have been addressed during the course of a meeting or telephone conference, Baker's time records may include that time in only one billing category.

1 staffing the matter with partners and associates from a cross-section of its offices, in order to take
2 advantage of lower rates charged in certain markets. The blended hourly rate for all Baker
3 professionals and paraprofessionals who provided services during the Application Period is
4 \$609.99. Attached hereto as **Exhibit B** is a Summary of the Timekeepers included in this
5 Application, including the name and billing rate of each Baker professional and paraprofessional
6 who provided services to the TCC.

7 16. In compliance with the Guidelines, a description of the people employed by Baker
8 who rendered services to the TCC in the Bankruptcy Cases during the Application Period and
9 whose time entries appear in the invoices is included in **Exhibit F**, attached hereto.

10 17. Pursuant to Bankruptcy Code § 504, Baker has no understanding, agreement, or
11 arrangement of any kind to divide with or pay to anyone any fees that may be awarded to Baker in
12 the Bankruptcy Cases, other than as may be shared among the members of the Baker firm.

13 18. Set forth below is a summary description, by project billing category, of the services
14 rendered by Baker during the Application Period. The specific tasks, the number of hours devoted,
15 and the amounts charged within each billing category are set forth below and are detailed in the
16 invoices filed on the docket as attachments to Baker's monthly fee statements (see Docket Nos.
17 4937, 5247, 5557 and 5980).

18 a. Administrative Expense Claims (001): Baker's work in this category
19 focused on evaluating whether certain claims arising post-petition could be treated as administrative
20 claims as necessary to determine what, if any, position the TCC should take concerning the
21 Debtors' plans for treatment of such claims.

22 The total hours and amount charged by Baker to this matter during the Application Period
23 represents **15.00 hours** and **\$3,000.00** in fees.

24 b. Automatic Stay (003): Baker professionals reviewed and analyzed all
25 motions for relief from stay and related exhibits, joinders, stipulations, and oppositions, including
26 but not limited to those filed by Valero Refining Company, the Ghost Ship plaintiffs, Henrietta
27 Energy Storage, Cristina Mendoza, Vlazakis, Hearn, and Tiger Natural Gas as necessary to inform,
28

1 advise, and protect the interests of the TCC. When necessary, Baker drafted joinders relating to
2 stay relief filed by other parties.

3 The total hours and amount charged by Baker to this matter during the Application Period
4 represents **10.30 hours** and **\$8,609.00** in fees.

5 c. Bankruptcy Litigation (004): Baker continued to perform extensive work
6 during the Application Period in the area of efficiently developing, executing, and coordinating all
7 litigation-related activities. Baker evaluated all relevant filings to address potential impacts on the
8 TCC and the fire victims. Baker spent substantial time on discovery related to the issues impacting
9 the TCC and its constituency. Baker's work encompassed addressing protective orders and related
10 issues, preparing for and attending depositions and preparing summaries of the deposition
11 testimony, and tracking, analyzing, and summarizing hundreds of thousands of pages of discovery
12 for use in litigation focused on protecting the interests of the TCC and recovery on victims' claims.

13 Baker also analyzed issues relating to post-petition interest, exit financing, subrogation,
14 make-whole premiums and bar dates. Baker reviewed and analyzed proofs of claim, and post-
15 petition complaints filed against one or both Debtors. Baker addressed and drafted memoranda and
16 pleadings on matters relating to exclusivity and claims allocation. Baker engaged in motion
17 practice, including drafting motions to extend the bar date for filing fire proofs of claim, and
18 summary affirmance, and opposing a motion to permit a class proof of claim.

19 Baker communicated with counsel of record in the bankruptcy case regarding all aspects of
20 litigation including discovery disputes, the bar date and protective orders. In addition, Baker
21 continued to work on issues concerning each fire caused or allegedly caused by the Debtors and
22 gathered and analyzed background facts in various state court cases as necessary to develop and
23 execute a strategy most effective to the TCC in the Bankruptcy Cases.

24 The total hours and amount charged by Baker to this matter during the Application Period
25 represents **1,123.00 hours** and **\$501,719.00** in fees.

26 d. Bar Date Motion/Claims Noticing (005): This category includes time spent
27 by Baker professionals seeking an extension of the claims bar date and related motion practice,
28 including depositions and discovery related to bar date extension issues and notice. Baker worked

1 on the selection and appointment of a fiduciary to administer fire victim claims and conferred with
2 California agencies regarding treatment of fire claims. Baker professionals participated in
3 negotiating a stipulation to extend the bar date. Baker developed a media strategy with respect to
4 communication of the bar date extension and worked with the media and Trident as appropriate on
5 victim outreach, communicating with fire victims to increase their participation in the Chapter 11
6 cases.

7 The total hours and amount charged by Baker to this matter during the Application Period
8 represents **360.90 hours** and **\$287,742.50** in fees.

9 e. Case Administration (docket updates, WIP, and calendar) (006): Baker's
10 work in this category encompasses ongoing docket review for maintenance of a master service list
11 and the receipt, review, and tracking of statutory deadlines in the firm's docketing system for all
12 pleadings filed in the bankruptcy court and in related cases pending in other forums. In addition,
13 this work includes ongoing: (i) discussions, planning, and strategizing regarding the client
14 communication platform for sharing of documents and information; (ii) maintaining the workspace
15 layout, daily updates to the Magnum tool, and managing account access; (iii) collaboration on case
16 management, staffing and administration; (iv) updates and maintenance of protocols and
17 procedures regarding review and evaluation of pleadings filed to assess potential impacts upon the
18 TCC; (v) distribution of e-filing notices, document management protocols, e-filing procedures and
19 team calendars; (vi) maintaining and updating case-specific discovery management protocols; and
20 (vii) preparation of a weekly Critical Dates Memo for communications with the TCC and core team.

21 The total hours and amount charged by Baker to this matter during the Application Period
22 represents **372.80 hours** and **\$156,927.50** in fees.

23 f. CCA and other Aggregator Issues (007): Baker spent time during the
24 Application Period reviewing CCA comments to the Chapter 11 plan.

25 The total hours and amount charged by Baker to this matter during the Application Period
26 represents **0.60 hours** and **\$570.00** in fees.

27 g. Chapter 11 Plan/Plan Confirmation (008): The work performed in this task
28 code included discussions with and advisement of the TCC regarding the potential framework and

1 plan structures available and the development of potential plan terms and related restructuring
2 support agreements. In addition, this task code encompassed significant plan-related research and
3 analysis concerning the types of assets available to tort claimants, exclusivity issues, estimation,
4 inverse condemnation, possible plan trust terms, structures, and implementation, CPUC plan related
5 matters, issues concerning third-party releases, issues particular to tort claimants and plan treatment
6 of mass tort claimants, and issues regarding trustee appointment. This task code also reflects time
7 spent engaged in plan-related discovery, and drafting memoranda concerning plan confirmation
8 issues and standards in the Ninth Circuit and the potential impacts of channeling injunctions.
9 Further encompassed in this task code are negotiations with other constituencies regarding potential
10 plan terms and discussions with the TCC's financial advisors regarding valuation issues as relevant
11 to plan development.

12 In addition, this task code includes time for meetings, analysis, and negotiation regarding
13 the terms of a potential plan of reorganization, including meeting with the Ad Hoc Group of
14 Bondholders to negotiate a term sheet for a consensual plan. Further, the time spent in this category
15 includes interaction with the TCC's plan subcommittee as necessary to facilitate a plan of
16 reorganization. The task code also includes time for reviewing and objecting to various elements
17 of the Debtors' competing proposed plan.

18 The total hours and amount charged by Baker to this matter during the Application Period
19 represents **3,041.60 hours** and **\$2,238,277.00** in fees.

20 h. Committee Meetings and Preparation (009): This task code generally
21 reflects three categories of work. First, attendance at and preparation for (generally weekly)
22 meetings of the TCC, including identification of important topics for presentation to the TCC
23 requiring a TCC vote. Second, this task code reflects conferring with and/or advising the TCC
24 membership and their individual counsel on issues of general strategy and advice concerning new
25 case developments. Third, senior members of the Baker core PG&E team participate in weekly
26 teleconferences to: (i) coordinate activities and strategy in advance of the TCC meetings; (ii) ensure
27 that all Baker professionals are aware of key priorities and overall strategies; and (iii) strategize on
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1 how to efficiently and effectively implement TCC directives, gather specific information important
2 to TCC objectives, and educate the TCC about facets of the case.

3 Specifically, the time Baker spent in this category includes but is not limited to: (i) ongoing
4 population of the TCC website; (ii) advising TCC members of their rights and duties as committee
5 members; (iii) reporting to the TCC on various regulatory and legislative issues; (iv) working with
6 the TCC's financial advisors to coordinate reporting to the TCC; (v) drafting required TCC meeting
7 agendas, minutes, and reports; (vi) advising the TCC regarding the motion to extend the claims bar
8 date for fire victims; (vii) alerting and advising the TCC regarding newly filed documents in the
9 Chapter 11 cases; (viii) advising the TCC on estimation issues; (ix) informing and educating the
10 TCC in regards to the RSA proposal and RSA amendments; (x) informing the TCC of the Ghost
11 Ship settlement efforts; and (xi) educating the TCC regarding the trust to be formed under the plan
12 to administer claims of fire victims.

13 The total hours and amount charged by Baker to this matter during the Application Period
14 represents **931.00 hours** and **\$757,557.50** in fees.

15 i. Corporate and Board Issues (010): Baker's work in this task code focused
16 on reviewing and analyzing the Debtors' motion for retention of director and officer liability
17 defense counsel as well as legal research and analysis into the Debtors' proposed payment of said
18 counsel and the Debtors' director and officer liability insurance policies in connection with same.
19 Baker prepared a memorandum and objection regarding the legal issues presented by the relief
20 sought by the Debtors as necessary to protect the interests of the TCC.

21 The total hours and amount charged by Baker to this matter during the Application Period
22 represents **54.00 hours** and **\$35,167.00** in fees.

23 j. DIP Financing/Cash Mgmt./Hedging Transactions (012): During the
24 Application Period, Baker advised the TCC with respect to the Debtors' motion for entry of orders
25 approving the terms of certain exit financing commitment letters and authorizing the Debtors to
26 incur related fees and premiums as administrative expense claims. Among other tasks, Baker
27 analyzed the terms of the proposed exit financing with the assistance of the TCC's financial
28 advisors, evaluated legal issues concerning the propriety of the requested relief under the

1 Bankruptcy Code and other applicable law, and conducted discovery on the financing motion.
2 Baker also prepared an opposition to the motion. However, while discovery on the motion was
3 pending, the TCC and the Debtors negotiated the Tort Claimants RSA to resolve the treatment of
4 fire victim claims under a plan of reorganization. As part of the Tort Claimants RSA, the TCC
5 agreed that upon approval of the RSA the TCC would suspend discovery on the financing motion,
6 and subsequent amendments or modifications to the motion. The Court approved the RSA and
7 therefore, the TCC ceased all discovery on the financing motion and did not file its opposition.
8 Baker continued to monitor and evaluate subsequent amendments to the financing motion to inform
9 the TCC regarding changes, if any, bearing on the Tort Claimants RSA and the Debtors' proposed
10 plan.

11 The total hours and amount charged by Baker to this matter during the Application Period
12 represents **164.80 hours** and **\$128,969.50** in fees.

13 k. Disclosure Statement (013): This task code encompasses the work
14 performed by Baker reviewing issues related to disclosure, solicitation procedures, and voting
15 procedures, as necessary for Baker to advise and protect the interests of the TCC.

16 The total hours and amount charged by Baker to this matter during the Application Period
17 represents **5.80 hours** and **\$4,670.00** in fees.

18 l. Employee Issues (014): During the Application Period, Baker's activities
19 included addressing applications by the Debtors to retain McKinsey & Company Inc. United States,
20 and to retain a CEO and President and establish compensation for the Debtors' board members.

21 The total hours and amount charged by Baker to this matter during the Application Period
22 represents **4.10 hours** and **\$3,116.00** in fees.

23 m. Equity Security Holders (015): This task code encompasses the time Baker
24 spent preparing for and attending meetings with equity security holders and the TCC plan
25 subcommittee and reviewing the Debtors' equity holders' public securities filings.

26 The total hours and amount charged by Baker to this matter during the Application Period
27 represents **18.80 hours** and **\$18,250.00** in fees.
28

1 n. Exclusivity (016): This task category includes time spent by Baker
2 addressing the TCC's joint motion with the Ad Hoc Committee of Senior Unsecured Noteholders
3 to terminate exclusivity and addressing the Debtors' motion to extend the exclusivity period. Baker
4 analyzed all responses to the motions filed within the Application Period, including those of the
5 Debtors, certain PG&E shareholders, and the Ad Hoc Group of Subrogation Claim Holders. Baker
6 also conferred with multiple professionals in the cases regarding the potential impacts of continued
7 exclusivity. Baker conducted extensive discovery relating to exclusivity, including preparing for
8 and attending depositions. Further, Baker prepared for and attended court relating to the exclusivity
9 motions.

10 The total hours and amount charged by Baker to this matter during the Application Period
11 represents **161.30 hours** and **\$130,365.50** in fees.

12 o. Executory Contracts/Lease Issues (017): During the Application Period,
13 Baker assisted the TCC by analyzing certain contracts to ascertain whether assumption or rejection
14 would be more beneficial to the TCC and drafted a memorandum analyzing issues with respect to
15 11 U.S.C. § 365. Baker reviewed motions to assume non-residential lease agreements and analyzed
16 issues related to the potential rejection of power purchase agreements by the Debtors. Baker
17 anticipates providing further assistance to the TCC on matters relating to the assumption and
18 rejection of executory contracts and unexpired leases throughout the course of the Bankruptcy
19 Cases.

20 The total hours and amount charged by Baker to this matter during the Application Period
21 represents **31.50 hours** and **\$37,261.00** in fees.

22 p. General Case Strategy (includes communication with Committee) (018):
23 Baker's work in this task code encompassed frequent, ongoing communications (orally and in the
24 form of memoranda) with members of the TCC as necessary to keep the TCC continuously and
25 timely updated with respect to all bankruptcy court, state court, district court, and regulatory
26 proceedings impacting the TCC. In addition, time in this category included working with TCC
27 subcommittees to prioritize tasks and achieve TCC goals and addressing discovery matters.
28

1 Communications with the TCC include drafting summaries of hearings, and analysis of
2 pleadings and other documents filed in the bankruptcy court, district court, state court and
3 CPUC. Baker also communicated with the TCC and its members regarding strategic action and
4 progress in the cases. Baker advised the TCC regarding its financial advisors, methods of providing
5 victim outreach, and other media coverage concerning case developments. Communications in this
6 task category also include maintaining an efficient system for tracking and responding to TCC
7 member requests and maintaining and expanding the Magnum database and data room.

8 The total hours and amount charged by Baker to this matter during the Application Period
9 represents **209.20 hours** and **\$157,918.00** in fees.

10 q. Hearings and Court Matters (019): Services performed by Baker in this
11 category include preparing for and attending hearings, in person or by phone, and drafting
12 summaries of the hearings. In addition, this task code encompasses Baker's meetings with
13 members of the TCC before and after hearings, and internal team meetings to discuss research
14 needed for hearings and hearing coverage among team members.

15 During the Application Period, Baker prepared for and attended hearings on pleadings
16 relating to establishment of an extended fire claims bar date, retention of professionals, entry into
17 restructuring support agreements, exclusivity, claims estimation, inverse condemnation, post-
18 petition interest, lifting the automatic stay to allow the Ghost Ship cases to proceed to judgment,
19 and authorizing the Debtors to enter into a settlement with the Tubbs Fire preference plaintiffs.

20 The total hours and amount charged by Baker to this matter during the Application Period
21 represents **225.90 hours** and **\$192,082.50** in fees.

22 r. Legislative Issues (020): Baker continued to perform substantial services
23 for the TCC during the Application Period in the area of legislative tracking and analysis of
24 proposed legislation, including AB 235 and AB 1054 and their potential impacts upon the various
25 pending aspects of the Chapter 11 cases of importance to the TCC. Baker researched new
26 legislation introduced in the California legislature regarding emergency public safety power
27 shutoffs and de-energization and emergency cellular telephone infrastructure and procedure, and
28

1 monitored proceedings in the California Senate Committee on Energy, Utilities and
2 Communications, as necessary to advise the TCC.

3 Baker also analyzed and prepared extensive memoranda on significant timing issues related
4 to AB 1054 potentially impacted by the U.S. Constitution and various other aspects of federal
5 law. In addition, Baker drafted extensive briefing on inverse condemnation, devoted substantial
6 attention to the appeal of the inverse condemnation ruling and related issues of equitable mootness,
7 and responding to the Debtors' request for a stay.

8 The total hours and amount charged by Baker to this matter during the Application Period
9 represents **825.10 hours** and **\$927,742.50** in fees.

10 s. Non-Bankruptcy Litigation (021): Work performed on this matter during
11 the course of the Application Period included research and analysis of legal issues concerning
12 moving to compel production of certain relevant evidence from state and local government agencies
13 related to ongoing criminal investigations, including available remedies, options and appropriate
14 procedures for moving to compel such evidence, operative analysis in Northern District of
15 California and Ninth Circuit for assertion of police law enforcement privilege, and application of
16 legal framework to assertion of said privilege by state agency to prevent disclosure of relevant
17 evidence to non-party. Examination of these legal issues also included research concerning the
18 assertion of law enforcement privilege by state government agencies to shield disclosure of
19 evidence in response to motions to compel said evidence brought by civil non-party, including
20 operative legal and procedural issues regarding the same when such agencies were served with Rule
21 45 or Rule 2004 subpoenas by non-parties with interest in the underlying evidence, as well as
22 assessment of operative balancing test and factors involved in weighing disclosure versus
23 production.

24 After conducting the above-referenced research, Baker attorneys drafted their analysis of
25 the legal issues and related guidance as applied to a motion filed by wild fire claimants, including
26 the TCC, to compel certain evidence related to the Camp Fire from state and/or city government
27 agencies that was relevant to the claims estimation proceeding pending before Judge Donato. This
28 legal research and analysis was also utilized in preparing letter briefs submitted to Judge Donato in

1 support of the motion filed by wild fire claimants to compel evidence from Cal Fire and the
2 California AG's investigative unit in connection with the claims estimation proceeding including
3 to formulate and present legal arguments and factual support for the TCC's positions on issues
4 related to Cal Fire's proposed redactions to investigation report, grand jury secrecy, scope of
5 investigative powers for relevant agencies, privilege waiver issues, and issues related to privileges
6 for certain materials related to grand jury.

7 The total hours and amount charged by Baker to this matter during the Application Period
8 represents **50.00 hours** and **\$31,186.50** in fees.

9 t. Non-Working Travel (022): This task code encompassed the time spent by
10 Baker personnel travelling to and from hearings, depositions, meetings with the TCC, meetings
11 with experts, and meetings with bondholders and various other interested parties. Baker
12 professionals spent over **1427.30 hours** related to non-working travel during the Application
13 Period, which was reduced to **602.80 hours** per the applicable guidelines.

14 The total hours and amount charged by Baker to this matter during the Application Period
15 represents **602.80 hours** and **\$385,190.50** in fees.

16 u. District Court Litigation (024): During the Application Period, Baker
17 continued to actively monitor criminal and civil matters involving the Debtors as relevant to
18 ascertaining possible impacts upon the TCC. Work performed in this task code during the
19 Application Period included identifying and analyzing specific relevant filings in the district court
20 action, *U.S. v. Pacific Gas and Electric Company*, 3:14-cr-000175-WHA, in connection with
21 PG&E's criminal probation. Many of the filings in this action during the Application Period were
22 relevant to the TCC, its interests, and its planning and strategy for both current and potential future
23 litigation.

24 In addition, Baker evaluated and drafted substantive analysis and recommendations with
25 respect to court orders and responsive filings concerning: (i) PG&E's public safety power shutoffs
26 during the period of October 9th-12th and again in later October, along with details concerning
27 related instances of vegetation or infrastructure damage that could have caused arcing; (ii) 2019
28 fires of more than 10 acres that involved PG&E equipment, including information regarding the

1 Kincade Fire; (iii) filings related to certain exhibits and portions of the CPUC Report on the Camp
2 Fire; and (iv) issues related to PG&E's compliance with the conditions of its probation concerning
3 vegetation management and its wildfire mitigation plan, as well as possible modifications to said
4 conditions. Evaluating these issues entailed the targeted assessment of specific orders and requests
5 for information issued by Judge William Alsup and the corresponding responses, exhibits,
6 admissions, photographs, declarations and other related relevant filings.

7 After identifying and analyzing the relevant filings, Baker drafted substantive memoranda
8 of key issues and information of particular importance to the TCC, which was then used to inform
9 certain aspects of litigation strategy and global case planning. This analysis included identifying
10 specific issues warranting further examination and evidence to target during potential future
11 litigation. Given the relevance of certain filings in the instant action, Judge Alsup would later issue
12 an order permitting the TCC and one of its expert witnesses to be heard and to submit evidence.

13 The total hours and amount charged by Baker to this matter during the Application Period
14 represents **452.60 hours** and **\$263,947.50** in fees.

15 v. Regulatory Issues including CPUC and FERC (025): Baker performed
16 extensive monitoring and review of proceedings pending before CPUC and FERC to identify those
17 which could have a material direct or indirect effect on the timing and amount of recoveries by the
18 tort claimants. This important work required Baker to become familiar with the procedural posture
19 of numerous pending proceedings and the filings, rulings, and decisions made in each to date.
20 Baker monitored and tracked ongoing developments and upcoming deadlines and events in
21 spreadsheet form for the TCC's discussion and planning purposes. This work included a daily
22 review of filings, issuances, and transcripts and occasional attendance at prehearing conferences as
23 necessary to the frequent meetings scheduled with the TCC in order to inform them of relevant
24 developments. In addition, Baker monitored CPUC and FERC filings and issuances generally to
25 identify any new proceedings, and reported to the TCC, both orally and in written memoranda, with
26 respect to such new proceedings.

27 Specifically, as necessary to inform and advise the TCC, Baker: (i) conducted research
28 analyzed CPUC filings and public records for PG&E's Exponent Reports regarding transmission

1 line inspections and the Caribou Palermo pipeline; (ii) reviewed and analyzed the settlement in the
2 CPUC Locate and Mark proceeding; (iii) researched news releases and reviewed protest letters on
3 deenergization issues; (iv) drafted memoranda regarding CPUC proposed decision on non-
4 bypassable charge to support wildfire fund; (v) drafted memoranda regarding PG&E's settlement
5 with the Safety and Enforcement Division in Locate and Mark proceeding; (vi) researched CPUC
6 policy regarding treatment of NOL's; (vii) analyzed OIR's and scoping memos of CPUC
7 rulemaking proceedings bearing on tort claims; (viii) drafted memoranda regarding the ruling in
8 CPUC proceeding on potential PG&E penalties and other remedies; (ix) conferred with
9 bondholders and public advocates regarding reorganization issues, alternative plan, and concerns
10 in OII proceeding; (x) attended webcasts of CPUC emergency hearings regarding PG&E power
11 shut off; (xi) analyzed responses to PG&E briefing in CPUC and review of CPUC briefs on
12 unresolved issues of law; (xii) drafted memoranda regarding CPUC measures to address planned
13 safety power shut off events; (xiii) drafted memoranda regarding CPUC order on non-bypassable
14 charge to recover contributions to wildfire fund; (xiv) drafted memoranda regarding CPUC
15 commissioners amended scoping ruling; (xv) analyzed adversary complaint filed against PG&E by
16 various qualifying small power producers; (xvi) analyzed ongoing regulatory and legislative
17 matters as relevant to plan confirmation and TCC strategic concerns; (xvii) conducted research
18 regarding CPUC authority over liens on utility assets; (xviii) analyzed Safety and Enforcement
19 Division's report on Camp Fire and prepared related memoranda on report and subsequent
20 settlement filings; and (xix) drafted memoranda regarding PG&E's motion to dismiss complaint
21 seeking billions in damages in connection with planned power outages.

22 The total hours and amount charged by Baker to this matter during the Application Period
23 are **613.80 hours** representing **\$405,949.50** in fees.

24 w. Retention Applications (026): During the Application Period, Baker
25 continued to provide substantial assistance to the TCC in seeking and obtaining the professional
26 representation desired by the TCC and evaluating whether the retention of certain professionals by
27 the Debtors was necessary and appropriate. With respect to the TCC's professionals, Baker
28 prepared an application to employ Professor Lynn Baker as special counsel, and assisted Professor

1 Baker with the related disclosures and declaration. Baker also prepared and filed a reply to an
2 application to clarify or amend the scope of Baker's representation of the TCC.

3 With respect to other retention applications, Baker reviewed the Debtors' applications to
4 retain PricewaterhouseCoopers LLP and McKinsey & Company, Inc. United States and advised
5 the TCC with respect to relevant considerations. In the case of McKinsey & Company, Inc. United
6 States, Baker prepared a conditional consent to retention. In addition, Baker analyzed issues
7 concerning disclosures.

8 The total hours and amount charged by Baker to this matter during the Application Period
9 represents **95.70 hours** and **\$71,189.50** in fees.

10 x. Fee Application – Baker (027): During the Application Period, Baker
11 reviewed all expenses and billing entries for the months of October, November, December, and
12 January as necessary to prepare monthly fee statements and to confirm that billing for both fees and
13 costs substantially complied with UST guidelines, the Revised Protocol, and Judge Montali's rules
14 in terms of the adequacy of task descriptions and to confirm tasks were properly categorized
15 consistent with the task codes established for use by professionals in the Bankruptcy Cases. Baker
16 made discretionary downward adjustments in fees for the benefit of the estate each month, and
17 prepared certificates of no objection for each month for which no objection was filed to Baker's
18 fee statement. Baker also conferred with the TCC chair regarding Baker's monthly fee statements
19 and billing protocols and responded to questions by TCC members regarding the fee application.

20 In addition, Baker continued to communicate with the Fee Examiner and/or his team
21 regarding preferences for receiving billing data and billing protocols. Baker worked closely with
22 the Fee Examiner to come to an agreement on a reduction in fees and prepared and revised an
23 amendment to Baker's First Interim Fee Application as requested by the Fee Examiner. Baker also
24 prepared a proposed order reflecting these changes pursuant to the Fee Examiner's request.

25 Baker also drafted and filed its Second Interim Fee Application. This work included
26 reviewing all work performed during the Application Period and drafting narrative summaries for
27 activities in each particular billing task code, drafting responses to the questions listed in the UST
28

1 Guidelines for larger Chapter 11 cases, preparing a staffing plan and budget, and preparing all
2 exhibit attachments to Baker's Second Interim Fee Application.

3 The total hours and amount charged by Baker to this matter during the Application Period
4 represents **229.50 hours** and **\$108,943.50** in fees.

5 y. Fee Application – Other Professionals (028): Baker's work this task code
6 consisted of assisting the TCC's professionals, including Dundon Advisers LLC, Lincoln Partners
7 Advisers LLC, Development Specialists, Inc. and Trident DMG LLC, in preparing their fee
8 statements and fee applications in accordance with established protocols in the Chapter 11 Cases
9 and in preparing certificates of no objection. In addition, Baker reviewed fee statements filed by
10 other professionals including those for Weil, Gotshal & Manges LLP, Cravath, Swaine & Moore
11 LLP, Munger Tolles & Olson LLP, Coblenz Patch Duffy & Bass LLP and KPMG LLP, as
12 necessary to advise the TCC as to the amounts sought. Baker consulted with the Fee Examiner
13 and/or his professionals, the Office of the United States Trustee as well as other case professionals
14 to address billing procedures and protocols.

15 The total hours and amount charged by Baker to this matter during the Application Period
16 represents **105.80 hours** and **\$62,650.00** in fees.

17 z. Tax Issues (030): Baker professionals performed substantial analysis of tax
18 issues during the Application Period in connection with the development of the trust being
19 established pursuant to the plan for the treatment of fire claims. Baker analyzed issues concerning
20 the impacts of Net Operating Losses ("NOLs") and carry forwards in connection with a potential
21 settlement with equity holders, performed research regarding preservation of NOLs and related
22 research regarding IRC 382, reviewed PG&E NOL monetization considerations prepared by
23 Lincoln, reviewed PG&E SEC filings which include Tax Receivable Agreements, performed
24 analysis and review of Tax Benefit Agreements and letters of credit, analysis of income taxation of
25 trusts under various domiciles as relevant to situs of plan trust, researched whether certain
26 provisions of the IRC were incorporated into the California Revenue and Taxation Code, analyzed
27 California Franchise Tax Board rulings, and provided input on tax issues for the plan term sheet as
28 relevant to the interests of the TCC.

1 The total hours and amount charged by Baker to this matter during the Application Period
2 represents **151.00 hours** and **\$116,321.00** in fees.

3 aa. U.S. Trustee/Fee Examiner Issues (031): During the Application Period,
4 Baker communicated with Debtors' counsel and counsel to the OCUC regarding mutual concerns
5 with procedures as proposed by the Fee Examiner in instances where they differed from
6 longstanding procedures established by Judge Montali. Baker prepared for and attended a hearing
7 on the Fee Examiner's proposed procedures and provided input on a response objecting to certain
8 of the Fee Examiner's proposed procedures drafted by the Debtors' professionals. In addition,
9 Baker prepared a non-disclosure agreement for the Fee Examiner in order to permit the Fee
10 Examiner to review confidential materials associated with Baker's, experts, case strategy and work
11 product for the TCC.

12 Baker's professionals worked with the Fee Examiner to resolve disputed issues concerning
13 fees and/or costs and reached an agreement with the Fee Examiner as to the fees and costs in
14 Baker's First Interim Fee Application and drafted proposed orders and revised proposed orders
15 documenting the agreements as requested by counsel for the Fee Examiner. In addition, Baker
16 timely responded to all requests of the Fee Examiner for backup information on fees and costs.

17 The total hours and amount charged by Baker to this matter during the Application Period
18 represents **46.90 hours** and **\$23,863.50** in fees.

19 bb. Unsecured Creditor Issues/ Communications/ Meetings (032): This task
20 code reflects Baker's time addressing two substantive issues in connection with the proposed plans
21 of reorganization filed by the Debtors and the Bondholders: (i) the application of the appropriate
22 post-petition interest; and (ii) the treatment of "make whole" premiums of the Bondholders in these
23 cases. Legal research was conducted on both issues for their treatment by various courts across the
24 country. Certain of the bonds at issue with respect to the "make whole" premiums were analyzed
25 for potential treatment under the competing plans of reorganization and articulated analysis by
26 various courts.

27 Baker drafted a memorandum incorporating the analysis of the applicable case law,
28 statutory authority and bond terms and circulated for discussion amongst the case team and

1 members of the TCC. Correspondence and meetings were held regarding the analysis and the
2 TCC's position with respect to same and the then-competing plans in the case. Additional revisions
3 to the memorandum on both issues were conducted to incorporate the discussion points and
4 collateral issues raised by the legal issues as well as Fifth Circuit case law issued subsequent to
5 development of the memorandum. Briefing on these issues by the parties in this case were
6 reviewed and analyzed and court appearances by the TCC's counsel before the Bankruptcy Court
7 were made on the issues briefed.

8 This task code was also utilized by Baker regarding disclosure issues in the proposed plans,
9 Restructuring Support Agreement issues, claims classification and claims trading, and for
10 correspondence with members of the TCC regarding these issues.

11 The total hours and amount charged by Baker to this matter during the Application Period
12 represents **434.80 hours** and **\$417,832.00** in fees.

13 cc. Withdraw Reference (034): During the Application Period, Baker reviewed
14 and analyzed issues concerning withdrawal of the reference and assessed impacts of the order
15 withdrawing the reference upon the TCC.

16 The total hours and amount charged by Baker to this matter during the Application Period
17 represents **1.40 hours** and **\$1,162.00** in fees.

18 dd. Real Estate and Real Property Issues (035): This task focused on reviewing
19 and analyzing the Debtors' motion for assumption of certain real property leases in connection with
20 the continued operations of its business. The motion and supporting declaration were reviewed and
21 a summary of same was prepared and discussed to determine what position, if any, the Committee
22 would take with respect to the motion.

23 The total hours and amount charged by Baker to this matter during the Application Period
24 represents **2.90 hours** and **\$1,769.00** in fees.

25 ee. Avoidance Action Analysis/Lien Avoidance Analysis (036): During the
26 Application Period, Baker assisted the TCC by analyzing pleadings filed in the Winding Creek
27 Solar LLC and Gantner adversary proceedings. Baker also conferred internally regarding the
28 potential impact of the adversary proceedings on fire victims.

1 The total hours and amount charged by Baker to this matter during the Application Period
2 represents **2.00 hours** and **\$1,428.50** in fees.

3 ff. Investigations (037): Baker's work in this task code was limited to research
4 necessary to identify registered agents for various entities.

5 The total hours and amount charged by Baker to this matter during the Application Period
6 represents **0.80 hours** and **\$160.00** in fees.

7 gg. Financial Advisors (038): This task code reflects time Baker spent
8 reviewing Lincoln's report concerning the impacts of planned outages, governmental fines, and
9 changes to PG&E's financial picture as relevant to the TCC.

10 The total hours and amount charged by Baker to this matter during the Application Period
11 represents **2.70 hours** and **\$2,607.00** in fees.

12 hh. Other Contested Matters (039): Baker's work in this task category
13 encompassed several different issues that arose in the course of the Debtors' Chapter 11 Cases
14 during the Application Period, but which do not lend themselves to placement into other task
15 categories. Baker examined filings as they came in in order to remain apprised of developments in
16 the Bankruptcy Cases and to determine whether there was a need for the TCC to respond to a filing,
17 either formally or informally. Baker's work for the TCC in these areas included analysis of
18 complaints filed against the Debtors' post-petition, analysis of transfers of claims, analysis of issues
19 concerning production of claimant data, analysis of issues concerning the RSA agreements and
20 amendments, and analysis of volumes of document production from Bondholders and the
21 Subrogation Committee related to various claims. Baker analyzed the fiduciary duty issues for TCC
22 members with respect to RSA and bondholder proposals and advised the TCC on related strategy
23 issues.

24 The total hours and amount charged by Baker to this matter during the Application Period
25 represents **107.00 hours** and **\$66,516.00** in fees.

26 ii. Operations (040): This task addressed TCC decision making and potential
27 conflict of interest and ethical issues that arose during TCC interactions and discussions. Legal
28 research and analysis were conducted outlining the obligations and considerations of those issues

1 for TCC members, memorandums were prepared regarding same and discussions were held
2 regarding analysis and next steps for the TCC, as well as communications with proposed special
3 counsel to Committee regarding same.

4 This task code was also used for handling administrative tasks carried out by counsel and
5 staff in connection with TCC work, TCC reimbursement issues, the TCC website, and
6 communications with the TCC.

7 The total hours and amount charged by Baker to this matter during the Application Period
8 represent **186.20 hours** and **\$116,650.50** in fees.

9 jj. Subrogation (042): This category includes time spent by Baker
10 professionals analyzing the treatment of subrogation claims against the Debtors and the impact such
11 claims could have on recoveries for tort claimants. Baker also engaged in extensive discovery
12 relevant to subrogation issues, including, among other things, preparing for and participating in
13 depositions. As necessary to protect the TCC's interests, Baker analyzed and then drafted and
14 argued an opposition to the Debtors' motion for the entry of an order authorizing the Debtors to
15 enter into a Restructuring Support Agreement with certain subrogation claim holders and approving
16 the terms of a settlement. Baker also addressed issues relating to an extension of additional living
17 expense insurance coverage for eligible fire victims. In addition, Baker professionals continued to
18 address issues relating to third-party releases. Baker engaged in extensive discussions with other
19 professionals, including the mediator, regarding issues connected to the subrogation claims.

20 The total hours and amount charged by Baker to this matter during the Application Period
21 represent **423.10 hours** and **\$331,897.00** in fees.

22 kk. Securities (043): Baker's work for the TCC in this task category consisted
23 of a review of PG&E's SEC litigation reserve disclosures in relation to compliance with
24 contingency disclosure requirements, analysis of PG&E's duties to reveal estimates and review of
25 related authority, and research regarding securities causes of action. In addition, Baker reviewed
26 all pleadings related to issues concerning the securities class motion as necessary to formulate
27 whether the TCC should assert a position.
28

1 The total hours and amount charged by Baker to this matter during the Application Period
2 represent **31.70 hours** and **\$29,152.50** in fees.

3 ll. Wildfire Assistance Fund (044): During the Application Period, Baker
4 monitored the Quarterly Reporting of the Administrator of the Wildfire Assistance Program.

5 The total hours and amount charged by Baker to this matter during the Application Period
6 represent **0.40 hours** and **\$218.00** in fees.

7 mm. Asset Analysis and Recovery (045): In asset analysis and recovery, Baker's
8 primary focus during the Application Period was to perform a due diligence analysis on the value
9 and extent of the rights being transferred to fire victims under the restructuring support agreement
10 ("RSA") as a way to confirm the value of the RSA prior to plan confirmation.

11 To achieve that goal, Baker analyzed the volumes of documents, including contracts, work
12 reports and databases, and emails produced by the Debtors that shed light on various third parties
13 that performed work relevant to specific wildfires. In addition, Baker analyzed insurance-related
14 documents produced by the Debtors corresponding to those third parties to assess the value of any
15 potential insurance claims associated with the rights being transferred.

16 Baker also issued third-party discovery to the Debtors' contractors and consultants related
17 to their work for the Debtors in connection with the wildfires. This discovery sought documents
18 pertaining to contractors' indemnity agreements with the Debtors, work agreements, work
19 summaries, and insurance-related documents, including claims notices. Baker analyzed documents
20 that it received from some of the contractors and consultants to determine the extent of the claims
21 of Debtors being assigned to the fire victims and the potential value of those claims.

22 The total hours and amount charged by Baker to this matter during the Application Period
23 represent **2,585.10 hours** and **\$1,213,471.00** in fees.

24 nn. Tort Claims Estimation (046): On October 11, 2019, Judge Donato entered
25 a Scheduling Order that established the timing for fact and expert discovery and set the trial for tort
26 claims estimation for February 18, 2020. Baker's work related to tort claims estimation during the
27 Application Period encompasses all preparations for the estimation trial, including, analysis and
28 determination of an estimation trial structure, creation of discovery and trial plans, meetings with

1 the Debtors and the Subrogation Claimants regarding all facets of the estimation trial, preparation
2 for and hearings before Judge Donato on estimation, discovery related to estimation, including
3 reviewing several million pages of documents, investigating, vetting, hiring liability and damages
4 experts for use in the estimation trial, conferences with retained experts regarding their work,
5 analysis of the experts' work in the estimation trial, analysis of fact witnesses for depositions and
6 for use at trial, conferences with potential fact witnesses and/or their counsel with regard to their
7 testimony, preparing for and deposing fact witnesses, defending depositions of fire victims, drafting
8 briefs and memoranda on the various legal and factual issues related to estimation, including
9 inverse condemnation and negligence, analysis of discovery and pleadings in other PG&E liability
10 cases, such as the North Bay JCCP 4995, and preparing strategy and presentation of the estimation
11 trial, including pre-trial exchanges, briefing, and presentations.

12 Specifically, Baker and the Debtors served document requests, interrogatories, and requests
13 for admissions. Pursuant to the document requests, the Debtors produced and the Baker reviewed
14 over 5 million pages of documents. In response to the Debtors' document requests, Baker worked
15 with plaintiffs' counsel and produced documents for fire victims that Baker expected to call at trial
16 as well as additional fire victims the Debtors sought to test the validity of victims' claims. In
17 addition, the Debtors' refusal to produce relevant documents forced Baker to file and argue motions
18 to compel before Judge Donato. Pursuant to Baker's interrogatories, the Debtors produced and
19 Baker also reviewed thousands of pages of responses, and Baker reviewed a high volume of
20 material associated with respect to the Debtors' responses to the TCC's Request for Admissions as
21 well.

22 Pursuant to the Judge Donato's scheduling order, the parties exchanged witness lists. The
23 Debtors initially identified hundreds of potential witnesses before finally narrowing the list of
24 witnesses it intended to call at the Estimation Trial to approximately 20. Baker prepared to depose,
25 and in some cases did depose, these witnesses to prepare for trial. In addition, Baker identified
26 several relevant witnesses with important evidence of the Debtors' negligence that the Debtors had
27 not identified. This list of approximately 20-30 witnesses were comprised of current and former
28 PG&E employees as well as several third parties. Baker prepared to interview and depose the

1 witness to develop further evidence of PG&E's negligence in support of the TCC's case at trial.
2 Given that PG&E caused over 20 trials in the North Bay and Camp fires, both document and
3 deposition discovery comprised a significant portion of the TCC's work.

4 The TCC hired several experts to support its case at trial. Baker worked with approximately
5 six [6] experts on issues related to the Debtors' liability. Baker also worked with approximately
6 seven [7] experts related to the damages suffered by the Fire Victims: one [1] overall damages
7 expert supported by several subject matter experts. By way of comparison, the Debtor disclosed
8 twenty-five [25] experts on liability and damages issues. Baker worked and coordinated with each
9 of the experts that it retained in anticipation that each expert would be required to prepare initial
10 and rebuttal reports, be deposed and potentially testify at trial. In addition, Baker anticipated and
11 began to prepare to evaluate and depose each of the Debtors' experts.

12 The total hours and amount charged by Baker to this matter during the Application Period
13 represent **9,078.20 hours** and **\$4,238,832.50** in fees.

14 oo. Class Claims Issues (047): Baker's work in the Class Claims category
15 during the Application Period pertained to a pending District Court Securities lawsuit, and the
16 motion filed in the Bankruptcy Court by the Securities Plaintiffs to obtain leave to file a class proof
17 of claim on behalf of their putative class of shareholders. The motion was late-filed after the claims
18 bar date, and the TCC believed the lawsuit was without merit as a direct securities action when
19 there were pending derivative actions that sought to recover the same damages.

20 For several reasons, Baker was required to oppose the motion for a class proof of claim to
21 protect the TCC. If granted, it could have had a dilutive effect on the Debtors' post-effective date
22 stock, which would impact the stock holdings subject to the trust, adding a \$2 billion claim into the
23 mix on the eve of plan confirmation. In addition, such could have had a negative impact on the
24 500 million in insurance proceeds available for the derivative actions assigned to the trust,
25 diminishing the policy proceeds available for Fire Victims.

26 In addition to opposing the motion to establish a class proof of claim, Baker drafted a motion
27 for standing to file a complaint and the related complaint for declaratory relief finding that the
28 alleged direct securities claims are derivative claims at their core, as they seek to recover the same

1 damages as the pending derivative actions. Because of the substantial value that the derivative
2 actions could bring to the Trust (approximately \$500MM in available policy coverage), Baker
3 anticipates continuing to pursue this issue during the next application period.

4 The total hours and amount charged by Baker to this matter during the Application Period
5 represent **170.60 hours** and **\$106,527.00** in fees.

6 pp. Kincade Fire Issues (048): Baker's work in this task code addressed legal
7 questions regarding the potential claims of post-petition wildfire claimants, including those from
8 the Kincade Fire. Baker researched the treatment of those claims under bankruptcy law, the effect
9 of those claims on existing claimants' rights, the interests and obligations of the TCC respecting
10 these new claims and claimants, and substantive and procedural issues regarding such claims. Baker
11 prepared legal memoranda analyzing these issues, responded to specific questions regarding these
12 issues, and also provided advice to the TCC. Those activities, in turn, informed the TCC's work
13 respecting estimation and settlement.

14 The total hours and amount charged by Baker to this matter during the Application Period
15 represent **122.60 hours** and **\$113,340.50** in fees.

16 qq. Mediation (049): During the Application Period, court appointed mediator
17 Newsome ordered multiple mediations to resolve the TCC's objections to FEMA's \$3.9 billion
18 claim, federal agency claims of \$207 million, Cal OES claims exceeding \$3 billion, multiple local
19 municipal claims against the fire victim trust, and the TCC's objections to certain plan terms. Baker
20 led the TCC role on the mediations which resulted in settlement of all federal and state agency
21 claims. The mediations of the municipal local agency claims and plan terms is ongoing.

22 The total hours and amount charged by Baker to this matter during the Application Period
23 represent **355.30 hours** and **\$333,137.50** in fees.

24 rr. Government Claims (050): This category includes time spent by Baker
25 professionals reviewing, analyzing and preparing objections to multi-billion claims filed by the
26 Department of Homeland Security / Federal Emergency Management Agency ("FEMA") and the
27 California Governor's Office of Emergency Services ("Cal OES"). During the Application Period,
28 Baker developed a litigation strategy to challenge the proofs of claim filed by FEMA and Cal OES,

1 which claims, if allowed as filed, could have substantially diluted the recovery of fire victims in
2 the Debtors' bankruptcy. Baker researched and analyzed the various statutes and legal theories
3 advanced by FEMA and Cal OES in their proofs of claim. Baker prepared and filed objections to
4 the claims filed by FEMA and Cal OES, which objections sought the complete disallowance of
5 FEMA's claims and Cal OES' claims. Baker also prepared and served requests for admission,
6 interrogatories, request for production and deposition notices on FEMA and Cal OES. Baker's
7 work on this matter ultimately led to FEMA agreeing to reduce its claims and to completely
8 subordinating its recovery to the fire victims receiving full payment on account of their claims, and
9 to Cal OES agreeing to withdraw its claims against the Debtors.

10 The total hours and amount charged by Baker to this matter during the Application Period
11 represent **955.20 hours** and **\$723,689.00** in fees.

12 ss. CPUC BK OII 19-09-016 (051): Baker analyzed the OII filed during the
13 Application Period, drafted memoranda to the TCC regarding the OII and prepared all papers
14 necessary to permit the TCC to intervene in the OII, requiring analysis of 3292(b) and other PUC
15 provisions relevant to the determination. Baker analyzed the Debtors' amended chapter 11 plan
16 with respect to evaluating, researching, and briefing whether it triggered a change in control
17 pursuant to PUC 854. Substantial research, analysis, and briefing was required in connection with
18 PUC 254, 1054, and 854 applicability to the Debtor's plan and implications of same. Baker's
19 professionals attended all OII proceedings, prepared testimony, and analyzed all filings therein as
20 necessary to protect the position of the TCC.

21 The total hours and amount charged by Baker to this matter during the Application Period
22 represent **279.80 hours** and **\$257,251.00** in fees.

23 tt. Tort Claims (052): Baker's work in this category during the Application
24 Period encompasses due diligence, research, valuation and analysis of the tort claims assigned to
25 the Tort Claimants Committee in the term sheet attached to the Restructuring Support Agreement
26 (RSA), including reviewing documents produced by the Debtors in the estimation proceedings
27 before Judge Donato, requesting and reviewing additional data from the Debtors and third parties
28 relating to the claims and their value, researching certain issues that could impact the value of the

1 claims such as statutes of limitation and insurance notification requirements, and preparing the
2 Schedule of Assigned Rights and Causes of Action for the plan documents as contemplated by the
3 RSA. Baker also analyzed pending third party causes of action filed by others currently pending
4 in the bankruptcy and other courts against the same claimants, including the securities claimants'
5 claims against the Debtors directors and officers. In connection with that suit, Baker filed legal
6 briefs to protect the value of certain D&O claims assigned to the TCC.

7 The total hours and amount charged by Baker to this matter during the Application Period
8 represent **361.00 hours** and **\$237,813.50** in fees.

9 19. Costs and Expenses: Baker requests allowance and reimbursement of actual,
10 reasonable, and necessary out-of-pocket expenses in the amount of \$3,574,530.67 incurred while
11 rendering professional services on behalf of the TCC during the Application Period.

12 20. Expenses incurred by Baker during the Application Period are set forth in detail on
13 the invoices found on the docket as attachments to Baker's monthly fee statements (see Docket
14 Nos. 4937, 5247, 5557 and 5980) and are summarized in **Exhibit D-2**.

15 21. Baker submits that all expenses incurred during the Application Period were
16 reasonable and necessary, are sought in compliance with the Guidelines, and should be allowed on
17 an interim basis by the Court.

18 **THE FEES AND EXPENSES REQUESTED**
19 **SHOULD BE AWARDED BASED UPON APPLICABLE LAW**

20 22. Section 331 of the Bankruptcy Code provides for interim compensation of
21 professionals and incorporates the substantive standards of section 330 to govern the Court's award
22 of such compensation. Section 330 provides that a Court may award a professional employed under
23 section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services
24 rendered [and] reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330
25 also sets forth the criteria for the award of such compensation and reimbursement:

26 In determining the amount of reasonable compensation to be
27 awarded to [a] professional person, the court shall consider the
28 nature, the extent, and the value of such services, taking into
account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

Id. § 330(a)(3).

23. In determining the amount of allowable fees under Bankruptcy Code section 330(a), courts are to be guided by the same “general principles” as are to be applied in determining awards under the federal fee-shifting statutes, with “some accommodation to the peculiarities of bankruptcy matters.” *Burgess v. Klenske (In re Manoa Finance Co., Inc.)*, 853 F.2d 687, 691 (9th Cir. 1988).

24. In assessing the propriety of an award of attorneys’ fees, twelve factors relevant to determining such fees were identified in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-719 (5th Cir. 1974, a Title VII class action case under the Civil Rights Act of 1964, 42 U.S.C. § 2000 et seq., and *Kerr v. Screen Extras Guild, Inc.*, 526 F.2d. 67, 70 (9th Cir. 1975), *cert denied*, 425 U.S. 951 (1976): (a) the time and labor required, (b) the novelty and difficulty of the questions, (c) the skill requisite to perform the service properly, (d) the preclusion of other employment by the professional due to acceptance of the case, (e) the customary fee, (f) whether fee is fixed or contingent, (g) time limitations imposed by client or the circumstances, (h) the amount involved and the results obtained, (i) the experience, reputation and ability of the professionals, (j) the undesirability of the case, (k) the nature and length of the professional relationship with the client,

1 and (l) awards in similar cases. *See American Benefit Life Ins. Co. v. Baddock (In re First Colonial*
2 *Corp. of America)*, 544 F. 2d 1291 (5th Cir. 1977) (*Johnson* criteria applicable in bankruptcy cases):

3 a. the time and labor required: Baker and the TCC represent the interests of
4 the most vulnerable and important constituency in these cases. Unlike the Debtors and other
5 creditors, the TCC had no relationship with PG&E pre-petition. The time required to protect the
6 interests of the victims the TCC represents is substantial, and the labor is complicated and
7 multifaceted.

8 Baker meets with the TCC in person on a monthly basis, and weekly by phone. Multiple
9 attorneys frequently attend these meetings to field questions from the eleven [11] members of the
10 TCC and sometimes also from counsel for individual TCC members. These meetings cover
11 numerous agenda items, and involve a broad area of topics and expertise, often including claims
12 estimation, financial analysis, updates on pending motions and objections, corporate governance,
13 criminal issues, committee operations, website updates, legislative updates, and Chapter 11 plan
14 analysis. Baker has different attorneys working on different issues and each attorney briefs the
15 TCC on the issues for which they are responsible.

16 In addition, Baker has a weekly “core” PG&E team meeting that lasts approximately one
17 hour. These meetings always include a number of attorneys (more than four), each of whom leads
18 a particular project or work team and/or specializes in a particular practice area. These meetings
19 involve high-level and substantive strategy considerations and are essential to avoid duplication of
20 effort. The meetings are critical to coordination of case strategy and are where the core team
21 communicates on how best to achieve the objectives of the TCC. For example, Baker’s
22 professionals working on claims estimation need to communicate with Baker’s professionals
23 working on Chapter 11 plan issues, and each need to be apprised of legislative developments. The
24 weekly calls are where ideas and information are shared among Baker’s work teams so strategic
25 decisions can be made.

26 Finally, a number of attorneys (more than four) frequently attend hearings that involve
27 multiple or complex issues. The TCC’s lead counsel, generally Ms. Dumas and Mr. Julian, attend
28 hearings together with other litigation counsel and/or the attorneys on the team responsible for

1 working on the matter being heard. Given the number of firms and professionals employed by the
2 Debtors, and the complicated issues the Debtors' cases present, representation of the TCC requires
3 the attendance of multiple attorneys at hearings.

4 b. the novelty and difficulty of the questions: Many of the issues related to this
5 case are novel, due to the significant issues presented regarding the fire victims' claims and the
6 nature of the Debtors' business.

7 c. the skill requisite to perform the service properly: The skill to perform the
8 representation of the TCC properly is significant. There are numerous complex issues presented
9 by these cases, as evidenced by the number of professionals the Debtors have employed.

10 d. the preclusion of other employment by the professional due to acceptance of
11 the case: Other employment of Baker has been precluded due to conflict issues created by this
12 representation.

13 e. the customary fee: Baker is charging its customary hourly fees in this matter.

14 f. whether fee is fixed or contingent: Baker's fee is an hourly fee.

15 g. time limitations imposed by client or the circumstances: There have been
16 constrained time limitations in this representation due to the pace of legislation enacted pertaining
17 to the Debtors' cases and the need to evaluate volumes of critical information to the TCC's interests
18 on an expedited basis.

19 h. the amount involved and the results obtained: The blended rate of Baker is
20 lower than the other professionals in these cases, and the TCC has been instrumental in issues
21 related to the DIP, the claim form for fire claimants, the victims' compensation fund, and other
22 matters.

23 i. the experience, reputation and ability of the professionals: Baker is well
24 known for its experience and expertise in bankruptcy matters. Cecily Dumas and Elizabeth Green
25 are fellows in the American College of Bankruptcy, and Baker's team is comprised of seasoned
26 litigators and well-respected lawyers in every diverse aspect of Baker's representation of the TCC.

27 j. the undesirability of the case: Representing the TCC in the Debtors' cases
28 is not undesirable, but the representation is multi-faceted, time-consuming, and complicated.

1 k. the nature and length of the professional relationship with the client: Baker
2 had no professional relationship with the TCC prior to these cases.

3 l. awards in similar cases: Baker's fee application is comparable with other
4 awards in similar cases involving representation of a committee of tort victims.

5 25. The time for which compensation is sought is detailed in Baker's professional fee
6 invoices filed on the docket as attachments to Baker's monthly fee statements (see Docket Nos.
7 4937, 5247, 5557 and 5980). Baker's services and time expenditures are reasonable considering
8 the labor required and outcome achieved to date in these complicated cases. Baker charges for its
9 professional services based upon the time, nature, extent and value of such services and the cost of
10 comparable services in the San Francisco bay area, other than in a case under the Bankruptcy Code.
11 The compensation Baker seeks by way of this Application is the customary compensation
12 commonly sought by the Baker and other professionals representing trustees, committees, and
13 debtors in similar circumstances.

14 26. Further, the Debtors spent in excess of \$80 million preparing to file the Bankruptcy
15 Cases, and Baker was not appointed as counsel to the TCC until several weeks after the Bankruptcy
16 Cases were filed. The Debtors' cases draw on a number of specialties as evidenced by the Debtors'
17 employment of a number of firms, including firms to handle fire claims and criminal issues. The
18 specialties required for the complex issues presented by the Debtors' wrongdoing and
19 circumstances include constitutional law, white collar criminal practice, and regulatory issues
20 involving FERC and CPUC, and are at the higher end of Baker's rate structure due to the skill and
21 experience associated with these specialties.

22 27. To wit, Mr. Rivkin (\$1,625) is a nationally known constitutional lawyer in Baker's
23 Washington, D.C. office. Mr. Dettelbach (\$1,015) is the former U.S. Attorney for the Northern
24 District of Ohio and is a leader of Baker's white-collar practice. Jerry Bloom (\$1,145), based in
25 Los Angeles, California, and Elizabeth Foley (\$1,100), based in Washington D.C., are of counsel
26 to Baker in the Debtors' Chapter 11 Cases. Mr. Bloom is one of very few of lawyers in the United
27 States who specializes in CPUC matters and is nationally recognized in Chambers as Band One in
28 the field of energy and regulatory matters. Ms. Foley is a nationally recognized constitutional

1 lawyer and a Professor of Law at Florida International University, where she teaches constitutional
2 law. The two specialties in which Mr. Bloom and Ms. Foley practice are essential to representation
3 of the TCC and the rates these specialties command are significantly higher than the rates Baker's
4 other attorneys of Counsel, who practice in less specialized areas, enjoy.

5 28. Simply put, Baker has staffed the Debtors' Chapter 11 Cases with its best and
6 brightest lawyers because the complexities of the cases demand it. It is worth noting that Baker's
7 blended rate for all timekeepers in Baker's Second Interim Application, including Baker's partners
8 and counsel, was approximately \$295 less than Debtors' counsel's blended rate for all timekeepers
9 during the same time period.

10 **ADDITIONAL QUESTIONS FROM THE**
11 **UST GUIDELINES FOR LARGER CHAPTER 11 CASES**

12 29. Pursuant to Appendix B of the UST Guidelines, Applicant answers the questions
13 below as follows:

14 30. Did Applicant agree to any variations from, or alternatives to, Applicants' standard
15 or customary billing rates, fees or terms for services pertaining to this engagement that were
16 provided during the application period? If so, please explain.

17 **ANSWER:** *No.*

18 31. If the fees sought in this fee application as compared to the fees budgeted for the
19 time period covered by this fee application are higher than 10% or more, did Applicant discuss the
20 reasons for the variation with the client?

21 **ANSWER:** *The fees sought in Baker's Application fell in line with those budgeted as a*
22 *whole. On occasion, fees associated with one particular task code may have exceeded the fees*
23 *budgeted for that task code. For other task codes, however, Baker's fees were less than the amount*
24 *budgeted, bringing the total amount of fees sought by Baker in this Application in line to the fees*
25 *budgeted for at the inception of this engagement. As such, the fees sought did not exceed the fees*
26 *budgeted by 10% or more in the period covered by this Application.*

27 32. Have any of the professionals in this fee application varied their hourly rate based
28 on the geographic location of the bankruptcy cases?

1 **ANSWER:** *No.*

2 33. Does the fee application include time or fees related to reviewing or revising time
3 records or preparing, reviewing or revising invoices? (This is limited to work involved in preparing
4 and editing billing records that would not be compensable outside of bankruptcy and does not
5 include reasonable fees for preparing a fee application.) If so, please quantify by hours and fees.

6 **ANSWER:** *Baker reviewed each time entry in the billing records submitted with this*
7 *Application in connection with preparation of the required monthly fee statements for the TCC as*
8 *necessary to confirm tasks were allocated to an appropriate task code by each timekeeper and that*
9 *each task was adequately described as required by the Guidelines and as necessary to facilitate the*
10 *Fee Examiner's evaluation of the reasonableness of the fees requested by this Application. On*
11 *occasion during this review, time entries may have been moved from one task code to another task*
12 *code as appropriate or divided up and apportioned between two or more task codes[†] where the*
13 *time entry clearly reflected work performed that impacted more than one area of Baker's*
14 *representation of the TCC, as necessary to adhere to the budget. Baker estimates that between*
15 *eight [8] to twelve [12] hours each month for the period covered by this Application was spent*
16 *performing such work. The Application does not include time or fees related to preparing,*
17 *reviewing, or revising invoices.*

18 34. Does this fee application include time or fees for reviewing time records to redact
19 any privileged or other confidential information? If so, please quantify by hours and fees.

20 **ANSWER:** *As stated above, Baker reviewed each time entry in the Application to confirm*
21 *tasks were allocated to an appropriate task code by each timekeeper and that each task was*
22 *adequately described as required by the Guidelines and as necessary to facilitate the Fee*
23 *Examiner's evaluation of the reasonableness of the fees requested by this Application. Each of*
24 *Applicant's timekeepers have been instructed to consider issues of confidentiality*
25 *contemporaneously with drafting his or her time entries so that a further subsequent review of time*

26 _____
27 [†]For instance, a time entry reflecting 1.5 hours may have been broken down into smaller increments and spread between
28 two or more task code categories. For example, where a task described research performed that could impact both
Chapter 11 plan structure and the treatment of particular claims, the 1.5 hour entry may have been apportioned so that
.7 was allocated to Task Code 008 (concerning Chapter 11 Plan/Plan Confirmation) and .8 was allocated to Task Code
005 (concerning, among other things, claims).

1 records in connection with an assessment of privilege or confidentiality is, for the most part,
2 unnecessary. Baker's billing records submitted with this Application contain very few redactions,
3 and Baker has submitted unredacted invoices to the Fee Examiner and believes the Fee Examiner
4 possesses sufficient information with which to evaluate the reasonableness of fees charged. Baker
5 estimates no more than two [2] hours were spent evaluating confidentiality of time entries for this
6 Application Period.

7 35. If this fee application includes any rate increases since retention: (i) Did your client
8 review and approve those rate increases in advance? (ii) Did your client agree when retaining the
9 law firm to accept all future rate increases? If not, did you inform your client that they need not
10 agree to modified rates or terms in order to have you continue the representation, consistent with
11 ABA Formal Ethics Opinion 11-458?

12 **ANSWER:** *The Application contains no rate increases.*

13 36. Pursuant to the UST Guidelines, required exhibits are attached as:

- 14 a. **Exhibit A** – “Customary and Comparable Compensation Disclosure with
15 Fee Applications”
16 b. **Exhibit B** – “Summary of Timekeepers Included in this Application”.
17 c. **Exhibit C-1** – “Budget”
18 d. **Exhibit C-2** – “Staffing Plan”
19 e. **Exhibit D-1** – “Summary of Compensation Requested by Project Category”
20 f. **Exhibit D-2** – “Summary of Expense Reimbursement Requested by
21 Category”

22 **AVAILABLE FUNDS**

23 37. Baker understands that the Debtors have sufficient funds available for the payment
24 of interim fees and costs requested herein.

25 **CONCLUSION**

26 38. Baker believes that this Application appropriately sets forth the significant matters
27 handled on behalf of the TCC and provides this Court, the UST, the Fee Examiner, the Debtors'
28 creditors, and other interested parties with an insightful overview of the scope of services rendered.

1 Thus, Baker respectfully submits that the fees and expenses sought herein are reasonable and that
2 the services rendered were necessary, effective, efficient and economical. Accordingly, Baker
3 respectfully requests that this Application for allowance of fees and expenses, on an interim basis,
4 be granted in all respects.

5 WHEREFORE, Baker respectfully seeks entry of an order, essentially in the form as
6 attached **Exhibit H**:

7 1. Awarding interim allowance of compensation for professional services rendered
8 during the Application Period in the amount of **\$18,827,171.17**, consisting of \$15,252,640.50 in
9 reasonable fees incurred and \$3,574,530.67 in actual and necessary expenses.

10 2. Authorizing and directing the Debtors to make prompt payment to Baker in the total
11 amount of **\$5,893,888.99**, which is the difference between the amount requested and the amount
12 already paid by the Debtors pursuant to the Interim Compensation Order.

13 3. Granting such other and further relief as the Court may deem just and proper.
14

15 Dated: March 13, 2020

BAKER & HOSTETLER LLP

16 By: /s/ Cecily A. Dumas

17 Cecily A. Dumas

18 Counsel to the Official Committee of Tort Claimants
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CERTIFICATION

I, Cecily A. Dumas, declare as follows:

The following facts are personally known to me, and if called to do so, I could and would competently testify thereto.

1. I am a partner in the law firm of Baker & Hostetler LLP (“**Baker**”). I submit this certification in support of the *Third Interim Application of Baker & Hostetler LLP for Allowance and Payment of Compensation and Reimbursement of Expenses for the Period October 1, 2019 through January 31, 2020* (the “**Application**”).[‡]

2. I have personally reviewed the information contained in the Application and believe its contents to be true to the best of my knowledge, information and belief.

3. The compensation and expense reimbursement sought in this Application, to the best of my knowledge, information and belief, after reasonable inquiry, is in conformity with sections 330(a) and 331 of title 11, United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Bankruptcy Rules for the Northern District of California (the “**Local Rules**”), the *Guidelines for Compensation and Expense Reimbursement of Professional and Trustees*, promulgated pursuant to Local Rule 9029-1, effective February 19, 2014 (the “**Local Guidelines**”), the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “**UST Guidelines**”), and the *Order Pursuant to 11 U.S.C. §§ 331 and 105(a) and Fed. R. Bankr. P. 2016 For Authority to Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (“**Interim Compensation Order**”) [Docket No. 701], and the revised Fee Examiner Protocol filed on October 24, 2019 (the “**Revised Protocol**”) [Docket No. 4473] (collectively, the “**Guidelines**”).

4. The compensation and expense reimbursement requested in this Application are billed at rates, in accordance with Baker’s practices, no less favorable than those customarily charged by Baker and generally accepted by Baker’s clients.

[‡]Capitalized terms not defined have the meanings used in the Application.

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Dated: March 13, 2020

BAKER & HOSTETLER LLP

By: /s/ Cecily A. Dumas

Cecily A. Dumas

Counsel to the Official Committee of Tort Claimants

Notice Parties

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